

Joe Lombardo
Governor



Amy Stephenson
Director

David Johnson
Deputy Director

STATE OF NEVADA GOVERNOR'S FINANCE OFFICE

Office of Federal Assistance

209 E. Musser Street, Suite 200 | Carson City, NV 89701-4298
Phone: (775) 684-0222 | www.ofa.nv.gov | Fax: (775) 684-0260

A'Keia Sanders
Executive Director

GUIDANCE MEMORANDUM 24-01

To: All State Agencies
From: The Nevada Governor's Office of Federal Assistance *AS*
Date: October 2nd, 2024
Subject: Required Training and Updates to Internal Controls in Response to Recent Changes in Federal Regulations, 2 CFR 200

This guidance memo is being issued to provide additional information to State of Nevada agencies on updates to [Title 2 of the Code of Federal Regulations](#) (additionally known as 2CFR or *Uniform Guidance*), which were implemented on October 1st, 2024.

Recent amendments to the CFR impact various aspects of federal fund management, including but not limited to financial reporting, cost principles, and administrative requirements. These changes require immediate action to ensure alignment with federal standards. Guidance reflects a summary of the changes as well as required actions that must be taken by State Agencies to ensure compliance.

Summary of 2CFR (Uniform Guidance) Changes (2024)

The Office of Management and Budget (OMB) has revised OMB Guidance for Grants and Agreements, which is now called the OMB Guidance for Federal Financial Assistance. The final guidance reflects public comments received in response to the OMB Notification of Proposed Guidance published in October 2023 and comments received from Federal agencies. In response to comments, OMB has revised and updated guidance to:

1. Incorporate recent OMB policy priorities related to Federal financial assistance
2. To reduce agency and recipient burden
3. Incorporate certain statutory requirements
4. Clarify certain sections of the prior version of the guidance that recipients or agencies have interpreted in different ways
5. Incorporate plain language, improve flow, and address inconsistent use of terms within the guidance text
6. Improve Federal financial assistance management, transparency, and oversight through more accessible and readily comprehensible guidance.

State agencies may reference *Uniform Guidance* and the attached guide on the updated changes to Title 2 of the Code of Regulations.

State Agency Guidance

Any staff involved in managing, reporting, or overseeing federal funds must undergo training on the recent CFR updates. Training will ensure staff members understand the new regulations and can apply them effectively in their day-to-day responsibilities. OFA recommends that agencies coordinate with our office to access training materials and resources tailored to these regulatory changes.

State Agencies are also required to review and revise their internal controls, policies, and procedures to reflect the updated CFR requirements. This includes:

- (1) Ensuring compliance with new financial management and reporting standards
- (2) Updating procurement and cost allocation guidelines
- (3) Implementing enhanced monitoring and auditing mechanisms to prevent non-compliance

These revisions must be documented and integrated into your agency's regular operational practices. Please submit confirmation of these updates to the Governor's Office of Federal Assistance by January 10, 2024.

As part of the ongoing commitment to compliance and transparency, the Office of Federal Assistance will conduct periodic reviews to assess the adherence to state agencies to these new federal guidelines. We encourage agencies to proactively ensure all federal fund management practices align with the updated CFR standards.

The recent CFR changes represent an important shift in federal fund management practices. Your agency's compliance with these updated regulations is critical to maintaining eligibility for federal funding and ensuring accountability. Thank you for your prompt attention to this matter and your continued commitment to effective stewardship of federal resources.

If you require additional assistance or have questions, please contact our team at grants@ofa.nv.gov

About the Nevada Governor's Office of Federal Assistance (OFA)

The OFA is the centralized hub for both federal and non-federal funding, ensuring that the State of Nevada maximizes the resources available to support our communities and programs (Reference NRS 232.460-486). The OFA serves as the primary agency responsible for ensuring compliance with federal regulations, helping state agencies navigate the complex landscape of federal requirements. As the designated Single Point of Contact (SPOC) per Federal Executive Order 12372, our office ensures that all federal funding applications align with state priorities. OFA works to ensure that funding opportunities are fully leveraged and strategically deployed to benefit Nevadans across all sectors.

See 1 Attachment

Uniform Guidance: Updated Changes to Title 2 of the Code of Federal Regulations



A high-level overview of the 2024 changes. This is not a comprehensive list of all the changes. This information was sourced from the National Grants Management Association, for more detailed information, visit: [CFO.gov](https://cfo.gov) | [Uniform Guidance: Title 2 of the Code of Federal Regulations](#)

	2020 Version	2024 Version
General Terms		
	Federal Awarding Agency	Federal Agency
	Non-Federal Entity (some references changed)	Recipient or Subrecipient (as applicable)
Increased Accountability		
Whistleblower Protections: 200.217	None. Section 217 is a new addition to Part 200.	Added employee protections for disclosing information.
Subrecipient Updates		
Fixed Amount Subaward Increase to \$500,000	Fixed amount subawards up to the simplified acquisition threshold 200.333.	Fixed amount subawards up to \$500,000.
Streamlining Processes		
Revision of Budget/Program Plans: 200.308		<ul style="list-style-type: none"> • (b) defined more • (d [formerly j]) 30 calendar days • (f [formerly c]) Revisions Requiring Prior Approval updated.
Recognition of Tribal/State Sovereignty		
Indian Tribes Added to Flexibility Afforded to States: 200.317	Except for States, all recipients & subrecipients must follow 200.318 - 200.327 procurement guidance..	A State or Indian Tribe must follow the same policies and procedures it uses for procurements with non-federal funds.
Administrative Closeout Costs		
Basic Factors of Allowability: 200.403		(h) Administrative costs may be incurred until the due date of the final reports.
Indirect Costs		
Modified Total Direct Costs Base: Subaward Value Increase	200.1 MTDC definition included up to the first \$25,000 of each subaward.	200.1 MTDC definition includes up to the first \$50,000 of each subaward.
Increased De Minimis Rate: 200.414	De minimis rate up to 10%.	(f) De minimis rate up to 15%.
Procurement Changes		
Competition: 200.319	(c) Prohibits the use of geographic preferences in the evaluations.	(c) [removed regional preference rule]
Methods of Procurement: 200.320		<ul style="list-style-type: none"> • "Small purchases" changed to "simplified acquisitions." • (b)(1) Tribal entities are no longer required to open sealed bids publicly.
Post-Award Clarifications		
Program Income: 200.307		Clarified the three methods of program income. May use more than one method for different aspects of a program. License fees and royalties are not program income.
Equipment/Disposition Updates		
Equipment Disposition: 200.313 (e) and (f)	200.313(3) NFE must get disposition guidance from federal entity. <ul style="list-style-type: none"> • \$5,000 or less may be retained. • More than \$5,000 (per unit) = may be retained or sold. • Federal share paid to agency. May retain \$500 or 10% to cover expenses with sale. 	200.313(3) clarified guidance. <ul style="list-style-type: none"> • Equipment \$10,000 or less may be retained. • More than \$10,000 retain or sell. Federal share to be paid back. • Retain \$1,000 to cover expenses. • 200.313(f) added. Equipment retention.
Supplies: 200.314	200.314(s). Unused supplies over \$5,000 may be retained/sold.	200.314(a) Clarified Unused Supplies <ul style="list-style-type: none"> • Over \$10,000 may be retained/sold. • Retain \$1,000 to cover expenses.
Audit		
Audit Threshold Raised to \$1 Million: 200.501	When non-federal entity expends \$750,000 or more.	When non-federal entity expends \$1,000,000 or more.

